

Message Text

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ACTION SS-15

INFO OCT-01 FILE-01 SSO-00 CCO-00 ADP-00 /017 W

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O 141228 Z MAY 73

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC IMMEDIATE 5938

INFO AMEMBASSY CARACAS IMMEDIATE

C O N F I D E N T I A L SECTION 1 OF 3 MEXICO 3366

SECTO 28

E. O. 11652

TAGS: OVIP

SUBJECT: SECVISIT LA: CARACAS SPEECH

FOR ELIOT FROM PEDERSEN

FOL IS TEXT STATEMENT SECTY IS PLANNING TO MAKE IN VENEZUELA TOMORROW. SECTY, CASEY, KUBISCH AND I HAVE ALL BEEN OVER IT. WORDING MAY STILL CHANGE, AS YOU KNOW, BUT THIS HAS SUBSTANCE WE WANT TO EXPRESS.

SECTY PARTICULARLY WANTS TO BE SURE DIBONA (WH) AND SIMON (TREAS.) SEE WHAT HE IS PROPOSING TO SAY.

YOU MIGHT ALSO WANT TO SEE LAW OF SEA SECTION. WE DO NOT WANT TO HAVE TO GO OVER EVERY JOT AND TITTLE OF OUR LAW OF SEA POLICY AND HAVE PITCHED SPEECH TOWARD SEEKING TO MOVE VENEZUELA A LITTLE FURTHER TOWARD OUR POSITION -- ON MATTER WHERE OUR VIEWS ARE NOT TOO FAR APART.

IF YOU HAVE ANY COMMENTS OR SUGGESTIONS TO CONVEY PLEASE GET THEM TO ME AT CARACAS TONIGHT.

STATEMENT FOLLOWS:

I AM EXPECIALLY PLEASED TO BEGIN MY FIRST TRIP TO SOUTH AMERICA IN VENEZUELA, A NATION WITH WHICH THE UNITED STATES
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SHARES SO MUCH. MIRANDA WAS ACQUAINTED WITH GEORGE WASHINGTON AND OTHER EARLY LEADERS OF MY COUNTRY. BOLIVAR AND WASHINGTON FORGED THE INDEPENDENCE OF THE AMERICAS. PRESIDENT PAEZ MADE THE UNITED STATES HIS ADOPTED HOME.

SOLID BONDS CONTINUE TODAY.

WE ARE LINKED BY COMMON DEMOCRATIC INSTITUTIONS. WE BELIEVE THAT DEMOCRATIC FREEDOMS ENRICH THE LIFE OF THOSE WHO ARE PRIVILEGED TO ENJOY THEM; THAT PLURALISM ENABLES MAN TO REACH HIS FULLEST THE DEVELOPMENT OF THE
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ORINOCO HEAVY OILS. PRESIDENT NIXON'S APRIL 18 ENERGY MESSAGE SET FORTH A POLICY OF UNITED STATES WILLINGNESS TO NEGOTIATE PREFERENTIAL ARRANGEMENTS WITH PRODUCING COUNTRIES THAT CONCLUDE MUTUALLY BENEFICIAL LONG- TERM PETROLEUM SUPPLY AGREEMENTS WITH THE UNITED STATES. WE HAVE HAD PRELIMINARY DISCUSSIONS ON A POSSIBLE UNITED STATES ROLE IN THE DEVELOPMENT OF THE ORINOCO BELT. SHOULD VENEZUELA DECIDE TO DEVELOP THAT REGION, AND SHOULD YOU WISH TO ENTER INTO A LONG TERM ARRANGEMENT THAT WOULD FACILITATE THE MOBILIZATION OF THE NECESSARY CAPITAL AND TECHNOLOGY, AND ESTABLISH STABLE TRADING ARRANGEMENTS, THE UNITED STATES WOULD BE PREPARED TO COOPERATE.

MINISTER CALVANI, IT IS AT YOUR INITIATIVE THAT THE NATIONS OF THE HEMISPHERE ARE NOW UNDERTAKING A REVIEW OF THE PURPOSE AND MISSION OF THE ORGANIZATION OF AMERICAN STATES. IT IS JUST THIS SORT OF INITIATIVE THAT IS TURNING THIS HEMISPHERE TOWARDS THE RELATIONSHIP OF EQUALITY, REALISM, AND EQUITY TO WHICH UNITED STATES POLICY IS NOW COMMITTED.

THE UNITED STATES CONCURS IN THE FEELING OF MANY NATIONS OF THE HEMISPHERE THAT OUR REGIONAL COOPERATION MUST BE MODERNIZED.

WE SHARE THE VIEWS YOU EXPRESSED AT THE OAS GENERAL ASSEMBLY BOTH THAT THIS REGIONAL ORGANIZATION IS NECESSARY AND THAT IT MUST BE CONSTANTLY REVISED. WE AGREE THAT THOUGH PESSIMISTS MIGHT SAY SUCH AN ORGANIZATION IS INEVITABLE, OPTIMISTS WILL FEEL IT IS " ADVISABLE AND NECESSARY."

AND WE ENDORSE THE CONCEPT THAT THE NATIONS OF THE HEMISPHERE CANNOT BE SEPARATE FROM THE WORLD COMMUNITY. CERTAINLY, THAT CONCEPT IS NOT INCONSISTENT WITH A STRONG AND VIGOROUS OAS.

THUS, WITH VENEZUELA, AND THE OTHER MEMBERS OF THE OAS, WE WANT TO HELP MAKE OUR REGIONAL ORGANIZATION ONE, IN YOUR WORDS, THAT WILL BE " ABLE BETTER SERVE THE COMMON GOOD" OF ALL NATIONS.

FOR ALL THESE REASONS, THE UNITED STATES WILL PARTICIPATE

ACTIVELY IN THE DELIBERATIONS OF THE SPECIAL STUDY COMMISSION
ESTABLISHED BY THE RECENT GENERAL ASSEMBLY TO MAKE
RECOMMENDATIONS
ON MAKING THE OAS A BETTER INSTRUMENT FOR OUR COLLECTIVE NEEDS.
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I WILL BE SEEKING THE VIEWS OF LATIN AMERICAN LEADERS ON THIS
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ACTION SS-15

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TO SECSTATE WASHDC IMMEDIATE 5939
INFO AMEMBASSY CARACAS IMMEDIATE

C O N F I D E N T I A L SECTION 2 OF 3 MEXICO 3366
SECTO 28

-- AND WE ARE PREPARED TO RESTORE THE WESTERN HEMISPHERE
PREFERENCE FOR 50,000 BARRELS A DAY FROM VENEZUELA OF NUMBER 2 FUEL
OIL
WHENEVER YOU ARE ABLE TO PROVIDE US THAT QUANTITY AT COMPETITIVE
PRICE AND QUALITY CONDITIONS.

THE WORLD'S DEMAND FOR ENERGY, AND PARTICULARLY FOSSIL
ENERGY FROM PETROLEUM, IS GROWING. THE PROBLEM FOR THE INTER-
NATIONAL COMMUNITY IS TO FIND WAYS TO ASSURE THAT THERE WILL BE AN
ADEQUATE, SECURE WORLD- WIDE SUPPLY AT PRICES BENEFICIAL BOTH TO
CONSUMER AND SUPPLIER. NEITHER PETROLEUM RESERVES NOR THE
RESOURCES AND TECHNOLOGY NEEDED TO DEVELOP THEM ARE EVENLY
DISTRIBUTED AMONG NATIONS. CLOSE COOPERATION OF NATIONS IN THIS
CONTINUALLY EXPANDING INDUSTRY IS THEREFORE ESSENTIAL. THAT IS ONE
OF THE REASONS WE VALUE THE GOOD RELATIONS WE HAVE WITH VENEZUELA.

VENEZUELA, ALREADY FORTUNATELY ENDOWED WITH OIL RESERVES,
IS OF COURSE ALSO THE FORTUNATE POSSESSION OF VAST DEPOSITS OF
HEAVY OIL WHOSE DEVELOPMENT WOULD DOUBLE THE EXPLOITABLE RESERVES
OF ALL OF LATIN AMERICA. WHEN OR HOW YOU INTEND TO DEVELOP THOSE
RESOURCES AND WHO SHOULD PARTICIPATE IN IT, OF COURSE IS FOR
YOU TO DECIDE. THEIR DEVELOPMENT WILL REQUIRE A MASSIVE APPLICATION
OF ADVANCED TECHNOLOGY NOT YET IN GENERAL USE AND VERY LARGE

INFUSIONS OF CAPITAL, BOTH FROM YOU AND FROM ELSEWHERE, RUNNING INTO MANY BILLIONS OF DOLLARS. THE COOPERATION OF MANY ARE LIKELY TO BE REQUIRED TO BRING TO FRUITION THE POTENTIAL OF THE ORINOCO ZONE.

THE UNITED STATES WOULD WEL IS THAT WE COULD CONTROL PUBLICITY AND PUBLIC (IN CONTRAST TO ESG) IMPACT OF UNDERSECRETARY' S SPEECH SINCE APPEARANCE WOULD BE CLOSED TO PRESS AND PUBLIC AND WE CAN MAKE ARRANGEMENTS TO RELEASE TEXT OF SPEECH ONLY AFTER SECRETARY DEPARTS FROM BRAZIL, THEREBY ELIMINATING POSSIBILITY OF HAVING THIS RIO EVENT DETRACT FROM FOCUS OF VISIT ON BRASILIA. WE WOULD APPRECIATE ADVICE AS TO UNDERSECRETARY' S WILLINGNESS TO DO THIS SO THAT WE CAN PURSUE POSSIBILITY WITH ESG.

4. NEW SUBJECT: IF ASSISTANT SECRETARY KUBISCH WERE WILLING TO DO SO, WE WOULD LIKE TO SET UP BACKGROUNDER (POSSIBLY AT PAO' S RESIDENCE) AT 6 PM MAY 22 IN BRASILIA WITH SIX TO EIGHT TOP JOURNALISTS (BRASILIA BUREAU CHIEFS OF MAJOR RIO AND SAO PAULO PAPERS AND PERIODICALS AND COLUMNISTS) FOR INFORMAL DISCUSSION ON TOPICS WE WANT TO EMPHASIZE DURING VISIT. IN THIS PARTICULAR CASE, BECAUSE OF RSTRICED NUMBER AND PERSONAL RELATIONSHIPS, WE CAN SET GROUND RULES (AND BE REASONABLY SURE THEY WILL BE RESPECTED) TO HAVE STORIES NOT REPEAT NOT BE DIRECTLY ATTRIBUTED TO KUBISCH IF THAT IS DESIRABLE. PLEASE ADVISE.

5. IN KEEPING WITH THE PERSONAL AND UNOFFICIAL NATURE OF THE RIO STOP, AND GOB' S EXPRESSED DESIRE TO AVOID SIGNIFICANT PUBLICITY IN THIS CONNECTION, WE ARE NOT REPEAT NOT PLANNING TO HAVE PRESS CENTER AND PRESS FACILITIES INSTALLED IN HOTEL, BUT WILL OF COURSE FACILITATE FILING OF STORIES BY NEWSMEN AND MAKE AVAILABLE TO PARTY REQUIRED NEWS SUMMARIES AND ANALYSES, AP FILE AND USIA WIRELESS FILE THROUGHOUT WEEKEND.

6. ABOVE COORDINATED WITH ADVANCEMAN YALE NEWMAN.
DECLASSIFY AFTER JUNE 1, 1973.
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INFO AMEMBASSY CARACAS IMMEDIATE

C O N F I D E N T I A L SECTION 3 OF 3 MEXICO 3366

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AS WE SEEK A NEW PARTNERSHIP IN THE AMERICAS, WE BELIEVE THE MORE PROSPEROUS STATES OF LATIN AMERICA CAN MAKE INCREASINGLY LARGER CONTRIBUTIONS TO THE DEVELOPMENT EFFORTS OF THE LESS PROSPEROUS. REGIONAL APPROACHES CAN BE PARTICULARLY HELPFUL.

THE CARIBBEAN BASIN, OF MUTUAL GREAT CONCERN TO THE UNITED STATES AND VENEZUELA, IS AN AREA WHERE THIS PROSPECT CAN BE EXPECIALLY MEANINGFUL. THE UNITED STATES AND VENEZUELA HAVE A COMMON INTEREST IN A STABLE, MORE PROSPEROUS, MORE COOPERATIVE RELATIONSHIP AMONG THE NATIONS OF THE CARIBBEAN. AND VENEZUELA, WITH THE SECOND HIGHEST PER CAPITA INCOME IN LATIN AMERICA, WILL BE AN IMPORTANT FACTOR IN THE EFFORTS OF CARIBBEAN STATES TO BRING A BETTER LIFE TO THEIR CITIZENS.

THUS, WE WELCOME THE RECENT VENEZUELAN DECISION TO SEEK ASSOCIATION WITH THE CARIBBEAN DEVELOPMENT BANK, AN INSTITUTION THAT THE UNITED STATES IS SUPPORTING WITH A \$ 32 MILLION LOAN. AND WE ALSO WELCOME YOUR EFFORTS TO PROMOTE JOINT VENTURES BETWEEN VENEZUELAN FIRMS AND THOSE IN VARIOUS CARIBBEAN STATES. AS WE EACH SEEK TO ENCOURAGE AND SUPPORT MODERNIZATION ELSEWHERE, WE MAKE A SUBSTANTIAL CONTRIBUTION BOTH TO THE COUNTRIES THAT RECEIVE OUR ASSISTANCE AND TO OUR MUTUAL INTERESTS. THIS SORT OF COOPERATION IS THE SUBSTANCE OF TRUE PARTNERSHIP.

ROGERS

NOTE BY OC/ T: DISTRIBUTION PER MR. KURZE, SS- O.

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